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FORM 10-Q
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

(Mark One)

[X] Quarterly Report pursuant to Section 13 or 15(d) of the Sec...
For the quarterly period ended January 31, 1992 OR

A92-2246

[ ] Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from _____ to _____

202 DATA SYSTEMS, INC.

0-11505

(Exact name of registrant as specified in its charter)

PENNSYLVANIA	23-2119811
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

Station Square Three
Paoli, PA 19301
(Address of principal executive offices)
(Zip Code)

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(215) 647-2700
Registrant's telephone number including area code

1603/19

None
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such report), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes _____ No _____ (Not applicable.)

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at March 13, 1992
Common Stock, $0.10 par value	3,368,443 Shares

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202 DATA SYSTEMS, INC.

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202 DATA SYSTEMS, INC.
CONSOLIDATED BALANCE SHEET

	January 31, 1992 (Unaudited)	October 31, 1991
ASSETS		
Current assets:		
Cash and cash equivalents	$ 1,039,724	$ 1,059,878
Income taxes receivable	89,669	89,669
Other assets	46,807	49,180
Total current assets	1,176,200	1,198,727
Other assets	73,828	51,212
	$ 1,250,028	$ 1,249,939
LIABILITIES AND SHAREHOLDER'S EQUITY		
Current liabilities:		
Accrued expenses	91,788	58,968
Deferred revenue	17,437	43,559
Total current liabilities	109,225	102,527
Deferred income taxes	320,486	322,737
	429,781	425,264
Shareholders' equity:		
Common stock	336,844	336,844
Additional paid-in capital	847,235	847,235
Retained earnings	(63,832)	(59,404)
Total Shareholder's equity	820,247	824,675
	$ 1,250,028	$ 1,249,939

The accompanying notes are an integral part of the consolidated financial statements.

202 DATA SYSTEMS, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	For the three Months ended January 31,	
	1992	1991
Sales of products and services	$ 98,875	$ 44,681
Investment income	12,911	21,157
Other income	2,491	-
	114,277	65,838
Cost of sales and product development	70,539	75,249
Selling, general and administrative and professional expenses	50,447	37,215
	120,986	112,464
Income (loss) before income taxes	(6,709)	(46,626)
Income taxes (benefit)	(2,281)	(20,944)
Net income (loss)	($ 4,428)	($ 25,682)
Primary and fully diluted earnings (loss) per share	($.00)	($.01)

The accompanying notes are an integral part of the consolidated financial statements.

202 DATA SYSTEMS, INC.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
(Unaudited)

	Common Stock		Additional paid-in capital	Retained earnings
	Shares	Amount		
Balance, October 31, 1991	3,368,443	$336,844	$547,238	($59,404)
Net income three months ended January 31, 1992 ...				(4,428)
Balance, January 31, 1992 ...	3,368,443	$336,844	$547,238	($63,832)

202 DATA SYSTEMS, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents
(Unaudited)

	For the three Months ended January 31,	
	1992	1991
Cash flows from operating activities:		
Net income (loss)	($ 4,428)	($ 25,682)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
(Increase) decrease in:		
Other Assets	(20,243)	24,157
Increase (decrease) in:		
Accrued expenses	32,820	(81,568)
Deferred revenue	(26,022)	-
Deferred income taxes	(2,281)	(20,943)
Total Adjustments	(15,726)	(78,351)
Net cash used for operating activities	(20,154)	(104,033)
Cash flows from financing activities:		
Receivable from a related party, net of imputed interest	-	310,000
Net cash provided by financing activities	-	310,000
Net increase (decrease) in cash and cash equivalents	(20,154)	205,967
Cash and cash equivalents, beginning of period	1,059,878	1,195,730
Cash and cash equivalents, end of period	$1,039,724	$1,401,697
Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ -	$ -
Income taxes	$ -	$ -

The accompanying notes are an integral part of the consolidated financial statements.

202 DATA SYSTEMS, INC.

Notes to Consolidated Financial Statements

NOTE NUMBER

1. The consolidated balance sheet as of January 31, 1992, and the related consolidated statements of stockholders' equity, operations, and cash flows for the three months ended January 31, 1992 and 1991 are unaudited. These financial statements should be read in conjunction with the Company's annual Form 10-K and financial statements, dated October 31, 1991, for a full description of the Company's activities and accounting policies and practices.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In March 1990, a wholly owned subsidiary of the Company acquired substantially all of the assets of Nurion, Inc., a Pennsylvania corporation. Nurion, Inc. is a corporation which has specialized since 1978 in the design and manufacture of proprietary products for individuals who are blind and visually impaired, using laser and echo-ranging technology. The business activities of this new venture are conducted in a wholly owned subsidiary of the Company which, for continuity, was named Nurion Industries, Inc. This diversification effort into a specialized electronics market is considered to be a start-up opportunity requiring a substantial investment of time and resources. The majority of the Company's resources, technology, and finances are currently focused primarily on the technical development to redesign and upgrade the current products to incorporate newer technology. The Company has incurred losses primarily as a result of these research and development efforts. The Company intends to continue to invest time and money to bring upgraded products to the marketplace. These up front expenditures may result in additional losses for the Company in the future and there is no assurance that these efforts will be successful.

In addition to continuing certain on-going activities, the Company continues to pursue expansion into new areas of business. Although there is no assurance that any suitable new business opportunity will be found, such expansion, if successful, may provide an additional base and direction from which the Company will continue forward.

OPERATING RESULTS - THREE MONTHS ENDED JANUARY 31, 1992 COMPARED TO THREE MONTHS ENDED JANUARY 31, 1991

REVENUES

The Company's revenues from sale of products and services were derived in part from sales of products for individuals who are blind which accounted for 12.7% ($12,589) and 19.0% ($8,496) of total revenues in the 1992 and 1991 fiscal quarters respectively. A contract to redesign a product for individuals who are blind accounted for 86.4% ($85,466) of total revenues in the fiscal quarter ended January 31, 1992. This business segment relating to products for individuals who are blind was new in 1990. The Company's revenues from sales of products and services were derived in part during the fiscal quarter ended January 31, 1991, from a sale of a Permit Manager license which accounted for 79.7% ($35,606) of such revenues in that quarter. The remaining revenues derived from sales of products and services were insignificant and primarily from sales of other computer applications and computer hardware. Total revenues from the sales of products and services increased in the 1992 quarter to $98,875 as compared to the 1991 quarter of $44,681 primarily due to the product redesign contract.

Investment income declined in the 1992 quarter to $12,911 as compared to the 1991 quarter of $21,157. This decline was primarily the result of lower amounts of invested cash and lower interest on taxable investments.

COSTS AND EXPENSES

Cost of sales and product development includes primarily salaries and related payroll costs associated with research and development efforts, contracted engineering services, tooling costs associated with research and development efforts, costs of direct purchases of hardware and supplies for resale to customers, and direct overhead expenses. Cost of sales and product development in the 1992 and 1991 quarters amounted to $70,539 and $75,249 respectively and was principally related to development work on the Company's products for the blind and visually impaired and the Company's computer products.

Selling, general and administrative and professional expenses are comprised primarily of officers' compensation, salaries and related costs, professional fees, directors' fees, insurance costs, costs of investigating new business opportunities, and other overhead costs which are not otherwise allocated to costs of sales and product development. These costs increased in the 1992 quarter to $50,447 compared to the 1991 quarter of $37,215 principally because of increased marketing efforts and expenditures investigating new business opportunities.

SUMMARY

The Company added a new business segment in 1990 and has been investing its resources in the development of products for individuals who are blind and visually impaired.

The Company has derived some revenues from the development and sale of its products (primarily its Permit Manager licenses and products for individuals who are blind), and from interest income on investments. Revenues from these sources have helped to reduce the cost of investing in the development of products for the blind and visually impaired. Management believes on-going development expenditures on its products for the blind and visually impaired may result in additional losses for the Company in the future.

The Company presently has no firm commitment for any significant orders.

The Company does not believe that inflation had a material impact on its operations but believes it was adversely affected by a recession. Specifically in many sales of products for individuals who are blind, the sale requires third party funding such as from governmental sources, insurance payments, or private contributions. The recession has impacted the ability to obtain such funding. The Company believes that the future profitability of its business may depend upon finding a solution to the current lack of third party funding.

The Company continues to explore expansion into new areas of business, not necessarily related to the fields of computer software or manufacturing of specialized electronics.

LIQUIDITY AND CAPITAL RESOURCES

The Company received in November 1990 the last of its quarterly installments related to the extended payment agreement with the major customer. The Company does not have an available line of credit.

The Company added in 1990 a new business segment and has committed to a product development effort to redesign and upgrade certain products for the blind and visually impaired. Such expenditures are expected to be funded from cash reserves. In addition, the Company expects to fund expenses associated with exploring new business areas from cash reserves. The Company has no other material commitments for capital expenditure at present.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

No material legal matters are pending.

Item 2. Changes in Securities

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

A. Exhibits (listed by number corresponding to Item 601 in Regulation S-K)

Exhibit 11 - Computation of earnings per share for three months ended January 31, 1992 and 1991

B. No reports on Form 8-K were filed during this quarter.

SIGNATURES

Pursuant to the requirements of the Securities and Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: March 13, 1992

By: Kevin W. Galbraith

Kevin W. Galbraith
President, Chairman,
(Chief Executive Officer and
Principal Financial Officer)

EXHIBIT INDEX

Item	Page	Exhibit
11	12	Statement Re: Computation of per share earnings

202 DATA SYSTEMS, INC
COMPUTATION OF EARNINGS PER SHARE
(Unaudited)

EXHIBIT 11

Primary earnings per share of Common Stock are computed by dividing the earnings applicable to Common Stock by the weighted average number of common and, when dilutive, common equivalent shares outstanding each year. Common equivalent shares are shares issuable upon the exercise of stock options and warrants. The number of common equivalent shares is determined by the treasury stock method.

	For the three Months ended January 31,	
	1992	1991
Common and common equivalent per share data:		
Primary and full diluted earnings per share:		
Net income for period	($4,428)	($25,682)
Weighted average number of shares	3,368,443	3,368,443
Primary earnings per share	($.00)	$.01